



Incentives Policy

Moving El Paso Forward

Vision

- Create a flexible and responsive incentive delivery system

Goals & Objectives

- Attract / Retain Quality Jobs
- Induce Investment into Targeted Areas
- Attract Specific Business Types

380 Agreements

- The incentive delivery mechanism of choice
 - More flexible
 - Does not require new capital investment to work
 - Mandatory cost / benefit analysis
 - Limit incentive to 50% of city's net benefit for five years unless extraordinary benefit can be shown

Cost Benefit Analysis

- Direct
 - The initial, immediate effects caused by a specific activity i.e. employment and income
- Indirect
 - Effects that result from the forward and backward linkages that produce the direct effect i.e. agriculture activity may indirectly support jobs in the manufacturing sector (tractor).
- Induced
 - Effects of spending wages derived from direct and indirect activities i.e. household purchases of consumer goods and services

Qualifying Criteria

- Attract / Retain quality jobs (Category I)
 - 80% of all jobs at or above Median County Wage (\$10.57) / hr
 - Company pays at least 50% of health insurance
- Induce investment into targeted areas (Category II)
- Attract Specific Business Types (Category III)
 - Member of Targeted cluster or;
 - Supports Targeted cluster or,
 - Market is Regional or National or,
 - Member of Creative Class

Incentives given

Company	Type	Jobs	Investment	Payroll	Incentive per Year	Years	Cost of Incentive over Period
Hilton Gardens	Hotel	66	\$ 13,500,000	\$ 1,322,375	\$ 25,212	5	\$ 126,060
Dox Quixote	Hotel	78	\$ 13,800,000	\$ 1,413,578	\$ 367,000	10	\$ 3,670,000
El Paso Outlet	Retail	500	\$ 54,000,000	\$ 9,000,000	\$ 250,000	5	\$ 1,250,000
United Dairy	Milk Producer	53	\$ 17,850,000	\$ 1,322,000	\$ 69,000	5	\$ 345,000
ADP	Services	1058	\$ 15,300,000	\$ 29,497,432	\$ 51,433	5	\$ 257,165
Tenet	Hospital	2607*	\$ 64,527,000	\$ 96,646,000	\$ 367,000	5	\$ 1,835,000
Champlain Cable	Mfg.	25	\$ 4,235,000	\$ 827,965	\$ 19,175	5	\$ 95,875
AT&T	Call Cntr.	424	\$ 2,250,000	\$ 9,852,752	\$ 23,391	5	\$ 116,955
TOTAL:		4811	\$185,462,000	\$149,882,102	\$1,172,211		\$ 7,696,055

Incentives given

Company	Type	City Cost of Job per Year	Company Payroll Cost of Jobs Per Year	Qualified under Incentive Category:
Hilton Gardens	Hotel	\$ 382.00	\$ 20,035.98	Old Policy
Don Quixote	Hotel	\$ 4,705.13	\$ 18,1222.79	Tax Abate / 380
El Paso Outlet	Retail	\$ 500.00	\$ 18,000.00	380 Policy – Extraordinary Benefit
United Dairy	Milk Producer	\$ 1,301.89	\$ 24,943.40	380 Policy – Distressed Area
ADP	Services	\$ 48.61	\$ 27,880.37	Tax Abatement - Old Policy
Tenet	Hospital	\$ 140.77	\$ 37,071.73	380 Policy – Quality Jobs
Champlain Cable	Mfg.	\$ 767.00	\$ 33,118.60	380 Policy – Distressed Area
AT&T	Call Cntr.	\$ 55.17	\$ 23,237.62	380 Policy – Quality Jobs
Average:	Type	\$ 243.65	\$ 31,154.00	

Note of Comparison: The 2006 Texas Enterprise Fund Averaged a cost per job of \$4,387